



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-580-879]

#### **Certain Corrosion-Resistant Steel Products from the Republic of Korea: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2019**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers and exporters of certain corrosion-resistant steel products from the Republic of Korea. The period of review (POR) is January 1, 2019, through December 31, 2019. Commerce is also rescinding the review with respect to Dongkuk Steel Mill Co., Ltd. (Dongkuk).

**DATES:** Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Joshua Simondis or Dennis McClure, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0608 or (202) 482-5973, respectively.

#### **SUPPLEMENTARY INFORMATION:**

##### Background

Commerce published the *Preliminary Results* of this review on July 16, 2021.<sup>1</sup> For a description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.<sup>2</sup>

---

<sup>1</sup> See *Certain Corrosion-Resistant Steel Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review; 2019*, 86 FR 37740 (July 16, 2021) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

<sup>2</sup> See Memorandum, “Issues and Decision Memorandum for the Final Results and Partial Rescission of the 2019 Administrative Review of the Countervailing Duty Order on Certain Corrosion-Resistant Steel Products from the Republic of Korea,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

### Scope of the Order

The products covered by this order are certain corrosion-resistant steel products. For a complete description of the scope of this order, *see* the Issues and Decision Memorandum.

### Analysis of Comments Received

All issues raised in interested parties' case briefs are addressed in the Issues and Decision Memorandum accompanying this notice. A list of the issues raised by parties, and to which Commerce responded in the Issues and Decision Memorandum, is provided in Appendix I to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

### Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties, and for the reasons explained in the Issues and Decision Memorandum, we made changes to the *Preliminary Results*.

### Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>3</sup> For a description of the methodology underlying all of Commerce's conclusions, *see* the Issues and Decision Memorandum.

### Rescission of Administrative Review, in Part

---

<sup>3</sup> *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

As noted in the Issues and Decision Memorandum, Commerce inadvertently included Dongkuk as a respondent company in this administrative review. Accordingly, we are rescinding the review with respect to Dongkuk. For further discussion, *see* “Rescission of Administrative Review, in Part” section in the Issues and Decision Memorandum.

#### Companies Not Selected for Individual Review

There are 35 companies for which a review was requested, but which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent. For these 35 companies, we applied the subsidy rate calculated for KG Dongbu Steel Co., Ltd. (KG Dongbu Steel) (formerly Dongbu Steel Co., Ltd.) and its cross-owned affiliate, Dongbu Incheon Steel Co., Ltd., as the only rate calculated for a mandatory respondent that was above *de minimis* and not based entirely on facts available. This methodology for establishing the subsidy rate for the non-selected companies is consistent with our practice and with section 705(c)(5)(A) of the Act.

#### Final Results of Administrative Review

We determine that, for the period January 1, 2019, through December 31, 2019, the following total estimated net countervailable subsidy rates exist:

<b>Company</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
KG Dongbu Steel Co., Ltd. (formerly Dongbu Steel Co., Ltd.) <sup>4</sup> /Dongbu Incheon Steel Co., Ltd.	10.51
Hyundai Steel Company	0.47*
Non-Selected Companies Under Review <sup>5</sup>	10.51

\* (*de minimis*)

#### Assessment Rate

Pursuant to 19 CFR 351.212(b)(2), Commerce will determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries of subject merchandise in accordance with the final results of this review, for the above-listed companies at

---

<sup>4</sup> Dongbu Steel Co., Ltd. changed its name to KG Dongbu Steel Co., Ltd. in 2020.

<sup>5</sup> *See* Appendix II.

the applicable *ad valorem* assessment rates listed. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

#### Cash Deposit Rates

In accordance with section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposits, when imposed, shall remain in effect until further notice.

#### Administrative Protective Order

This notice also serves as a final reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

#### Disclosure

Commerce intends to disclose the calculations performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Notification to Interested Parties

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(5).

Dated: January 12, 2022.

**Lisa W. Wang,**  
*Assistant Secretary for Enforcement and Compliance.*

## **Appendix I**

### **List of Topics Discussed in the Issues and Decision Memorandum**

- I. Summary
- II. Background
- III. Changes Since the Preliminary Results
- IV. Scope of the Order
- V. Period of Review
- VI. Rescission of Administrative Review, in Part
- VII. Subsidies Valuation Information
- VIII. Analysis of Programs
- IX. Discussion of Comments
  - Comment 1: Whether Electricity Is Subsidized by the Government of the Republic of Korea (GOK)
  - Comment 2: Whether Commerce's Determination that Port Usage Rights Provide a Countervailable Benefit Is Unsupported by Evidence and Contrary to Law
  - Comment 3: Whether Commerce Incorrectly Countervailed the Reduction for Sewerage Usage Fees
  - Comment 4: Whether the Restructuring of KG Dongbu Steel's Existing Loans by GOK-Controlled Financial Institutions Constitutes a Financial Contribution and a Benefit to KG Dongbu Steel
  - Comment 5: Whether the Restructured Loans Provided to KG Dongbu Were Specific
  - Comment 6: Whether Commerce Should Use the Interest Rates from Loans Provided by Private Banks Participating in the Creditor Bank Committee as Benchmarks
  - Comment 7: Whether KG Dongbu Steel Is Equityworthy and the 2015-2018 Debt-to-Equity Swaps Should Be Countervailed
  - Comment 8: Whether Subsidies Prior to Dongbu Steel's Change in Ownership Pass Through to KG Dongbu Steel
  - Comment 9: Whether Commerce Incorrectly Calculated the Uncreditworthy Discount Rate Used for Allocating the Benefits from Long-Term Loans, Bonds, and Equity Infusions
  - Comment 10: Whether Commerce Incorrectly Calculated the Discount Rate for the 2019 Government Equity Infusion
- XI. Recommendation

## Appendix II

### List of Non-Selected Companies

1. Ajin H & S Co., Ltd.
2. AJU Steel Co., Ltd.
3. B&N International
4. CDS Global Logistics
5. Dong A Hwa Sung Co., Ltd.
6. Dongkuk International, Inc.
7. Korea Clad Tech. Co., Ltd.
8. Pantos Logistics Co., Ltd.
9. PL Special Steel Co., Ltd.
10. POSCO
11. POSCO C&C
12. POSCO Coated & Color Steel Co., Ltd.
13. POSCO Daewoo Corp.
14. Samsung C&T Corporation
15. Samsung Electronics Co., Ltd.
16. Sanglim Steel Co., Ltd.
17. SeAH Coated Metal
18. SeAH Steel Corporation
19. Seajin St. Industry, Ltd.
20. Sejung Shipping Co., Ltd.
21. Seun Steel Co., Ltd.
22. Segye Chemical Industry Co., Ltd.
23. Shandongsheng Cao Xian Yalu Mftd.
24. Shengzhou Hanshine Import and Export Trade
25. Soon Hong Trading Co., Ltd.
26. Southern Steel Sheet Co., Ltd.
27. SSangyong Manufacturing
28. Sung A Steel Co., Ltd.
29. SW Co., Ltd.
30. SY Co., Ltd.
31. Syon
32. TCC Steel. Co., Ltd.
33. Young Steel Korea Co., Ltd.
34. Young Sun Steel Co.
35. Young Steel Co.

[FR Doc. 2022-00939 Filed: 1/18/2022 8:45 am; Publication Date: 1/19/2022]